Securities Note

Jacob Holm & Sønner Holding A/S

FRN Jacob Holm & Sønner Holding A/S Senior Secured Callable Bond Issue 2017/2022
ISIN NO 001 0788920

Manager:

December 14, 2017

Prepared according to Commission Regulation (EC) No 809/2004 – Annex V.

Important notice

The Securities Note has been prepared in connection with listing of the securities at Oslo Børs. The Prospectus has been reviewed and approved by the Norwegian FSA in accordance with sections 7-7 and 7-8, cf. section 7-3 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Prospectus. The approval given by the Norwegian FSA only relates to the Issuer's descriptions pursuant to a pre-defined checklist of requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or otherwise covered by this Prospectus. New information that is significant for the Borrower or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to the expiry of the subscription period. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Borrower or its subsidiaries may not have been changed.

Only the Borrower and the Manager are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in Canada, Japan, Australia, the United States of America or in the United Kingdom. Verification and approval of the Securities Note by Finanstilsynet implies that the Securities Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required, and any information contained herein or in any other document relating to the Bonds does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. Persons that receive the Securities Note are ordered by the Borrower and the Managers to obtain information on and comply with such restrictions.

The Bonds have not been, and will not be, registered under the U.S. Securities Act, or under the securities laws of any other jurisdiction. The Bonds may not be transferred, offered or resold in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act) nor may they be transferred, offered or resold in any other jurisdiction in which the registration of the Bonds is required but has not taken place, unless an exemption from the applicable registration requirement is available or the transfer, offer or resale of the Bonds occurs in connection with a transaction that is not subject to these provisions.

This Securities Note is not an offer to sell or a request to buy Bonds.

The content of the Securities Note does not constitute legal, financial or tax advice and Bondholder should seek legal, financial and/or tax advice.

Contact the Borrower to receive copies of the Securities Note.

This Securities Note should be read together with the Registration Document dated 14.12.2017 and Summary dated 14.12.2017. The documents together constitute a prospectus, which, unless otherwise stated, is governed by Norwegian law.

Unless otherwise defined in Section 3 (Definitions), capitalized terms used in this Securities Note shall have the meaning given to such terms in the bond agreement dated 29.03.2017 entered into between Jacob Holm & Sons AG as parent, Jacob Holm & Sønner Holding A/S as borrower and Nordic Trustee ASA as bond trustee on behalf of the bondholders from time to time (the "Bond Agreement") (attached as appendix (a) to this Securities Note).

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1. Risk factors

Any investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market, varying liquidity in a single bond issue as well as company specific risk factors. An investment in interest bearing securities is only suitable for investors who understand the risk factors associated with this type of investments and who can afford a loss of all or part of the investment. If any of the following risks actually occur, the Company's and/or the Guarantors' business, financial position and operating results could be materially and adversely affected. Occurrence of the risk factors described below may cause inability of the Issuer and/or the Guarantors to pay interest, principal or other amounts on or in connection with the Bonds. As the Guarantors (other than the Parent) are operative subsidiaries of the Issuer and carry out the same or related activities as the Issuer, the risk factors relating to the business and operations of the Issuer also apply to the Guarantors (other than the Parent) and the other subsidiaries of the Issuer.

General risks related to investments in interest bearing securities

Liquidity risk
Liquidity risk is the risk that a party interested in trading Bonds cannot do it because nobody in the market wants to trade the Bonds. If an active market does not develop, or subsequently becomes inactive for a period of time or disappears after being developed, the market price and liquidity of the Bonds may be adversely affected and the Bondholders may not be able to resell the Bonds. Further, even if an active market were to exist, the liquidity of the Bonds may be adversely affected due to several factors such as interest rate risk, market risk and credit risk.

Market risk
Market risk is the risk that the value of the Bonds will decrease due to the change in value of the market risk factors. The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of such bond issue in the market. Credit risk is the risk that the Issuer is unable to meet its obligations on time and is particularly related to interest payments and repayment of principal on the Bonds. In spite of an underlying positive development in the Issuer's business activities, the price of a Bond may fall independent of this fact.

No market-maker agreement is entered into in relation to this Bond Issue, and the liquidity of the Bonds will at all times depend on the market participants view of the credit quality of the Bonds as well as established and available credit lines.

Both of the risks identified in the above paragraphs "Liquidity risk" and "Market risk" may result in the Bondholders incurring losses in respect of the Bonds.

Risks related to the Bonds

Indebtedness and ability to service indebtedness
The Obligors' significant level of debt, interest payment obligations and operating and/or financial restrictions imposed by the Bond Agreement (and any other agreement governing existing or future indebtedness) may limit their flexibility in planning and allocation of capital (e.g. towards strategic acquisitions or exploiting business opportunities) as well as the ability to compete and prevent them from meeting their obligations under the Bonds, the Guarantees and other existing and future financing arrangements.

Despite the Obligors' significant level of indebtedness and subject to restrictions on the ability to incur indebtedness under the Bond Agreement, the Obligors may be able to incur substantial additional indebtedness in the future. To the extent that the Obligors incur additional indebtedness, the risks associated with their substantial leverage described above, including their possible inability to service their indebtedness, would increase.

The Obligors may not be able to generate sufficient cash to service all their indebtedness, including the Bonds, and any future defaults under their debt instruments could interfere with their ability to service the Bonds.

Ability to enforce the Bondholders' rights across multiple jurisdictions

The enforcement of rights as a Bondholder across multiple jurisdictions may prove difficult. Furthermore, in the event that any bondholder's rights as a Bondholder have been infringed, it may be difficult to enforce judgments against the Group or their respective directors or management. The companies in the Group guaranteeing for the Bonds are incorporated under the laws of Denmark, Switzerland, the United States and Spain. Local laws may prevent or restrict Bondholders from enforcing a judgment against the Group's assets, and the assets of its directors or managers.

Insufficient collateral and exclusion or dilution of collateral

The value of the collateral granted under or pursuant to the Bond Agreement may not be sufficient to satisfy all the obligations secured by such collateral. As a result, the Bondholders may not receive full payment on their Bonds following an event of default. There can be no assurance that the Bond Trustee will be able to sell any of the security for the Bond Issue without delays (or even at all) or that the proceeds obtained will be sufficient to pay all of the secured obligations. Neither the Issuer nor the other Group Companies have any obligation to pledge additional assets to secure the Bonds.

If the proceeds of any sale of collateral are not sufficient to repay all amounts due on the Bonds, the Bondholders would only have an unsecured claim against the remaining assets of the Obligors.

Certain categories of assets may be excluded from the collateral securing the Bonds and the security over certain categories of assets are not required to be perfected. Consequently, the Bonds and the related guarantees may rank equally with the holders of other unsubordinated and unsecured indebtedness with respect to such excluded or unperfected categories of assets and may be effectively subordinated to holders of indebtedness having a perfected security over such excluded or unperfected categories of assets.

The collateral that secures the Bonds may secure on a pari passu basis to existing and future indebtedness incurred by the Obligors. The Bondholders' rights to the collateral will be diluted by (i) any increase in the indebtedness secured on a pari passu basis by this collateral and (ii) any claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application.

The Guarantees are subject to certain limitations

The Guarantees are subject to certain limitations on enforcement and limited by applicable law or subject to certain generally available defences. The Guarantees are limited to the maximum amount that can be guaranteed by the relevant Guarantor under the laws and defences of its jurisdiction, including those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance, thin capitalisation, preservation of share capital, guarantee maximums or similar laws, regulations or defences affecting the rights of creditors generally. Depending on the laws and defences of the relevant jurisdiction as well as on other obligations of the Guarantors, a Guarantor may have no liability or very limited liability under its Guarantee.

For example, under the laws of Switzerland, due to corporate benefit laws, it is required and standard market practice to limit the value of amounts guaranteed by a guarantor organized under the laws of Switzerland to its freely distributable equity at the time of enforcement if the guarantee granted by the Swiss guarantor is of an ''up-stream'' or ''cross-stream'' nature. Similar limitations will apply to any guarantee issued by a guarantor incorporated in Denmark. This limitation can reduce the value of the foregoing guarantee by a substantial amount.

It is not possible to assure which standard a court would apply in determining whether any Guarantor was ''insolvent'' at the relevant time or that, regardless of method of valuation, a court would not determine that a Guarantor was insolvent on that date, or that a court would not determine that payments to holders of the Bonds constituted preferences, fraudulent transfers or conveyances or on other grounds. There is hence a possibility that a Guarantee may be set aside or held unenforceable, in which case such guarantee obligation may be extinguished. Consequently, the Bondholders may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and the other Guarantors.

Structural subordination to the liabilities of the Issuer's subsidiaries which are not Guarantors

Not all of the Issuer's subsidiaries will guarantee the Bonds. The Issuer's subsidiaries which are not Guarantors will not have any obligations to pay amounts due under the Bonds or to make funds available for that purpose. Generally, claims of creditors against a non-guarantor subsidiary, including trade creditors, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent entity. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any subsidiaries which are not Guarantors, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to its parent entity. Such structural priority also applies to the claims of the Bondholders under the Bond Agreement and the Guarantees. The creditors of the Issuer and the Guarantors (including the Bondholders) will have no right to proceed against the assets of such subsidiary which is not a Guarantor. As such, the Bonds and each Guarantee will be structurally subordinated to the creditors (including trade creditors) of the subsidiaries which are not Guarantors. Any of the debt that the subsidiaries which are not Guarantors incur in the future will rank structurally senior to the indebtedness under the Bonds and the Guarantees.

Perfection requirement and realization of security over collateral
The Bondholders' rights in the collateral may be adversely affected by the failure to perfect security interests in certain collateral in the future. Applicable law may require that certain property and rights acquired after the grant of a general security interest can be perfected only at the time at which such property and rights are acquired and identified. The Bond Trustee has no obligation to monitor, and the Obligors are not required to inform the Bond Trustee of the future acquisition of collateral, and necessary action may not be taken to properly perfect the security interest in such after-acquired collateral. A failure to do so may result in unenforceability of the relevant security interest or a lower ranking security interest.

In addition, the security securing the Bonds will be subject to practical challenges generally associated with the realization of security interests in collateral. For example, the consent of third parties may need to be obtained and additional filings may need to be made. If the Obligors are unable to obtain these consents or make these filings, the security may be invalid and the holders of the Bonds will not be entitled to the collateral or any recovery with respect to the collateral. Further, the consents of any third parties may not be given when required to facilitate a foreclosure on such collateral. Accordingly, the Bond Trustee may not have the ability to foreclose upon those assets, and the value of the collateral may significantly decrease. The Obligors are also not required to obtain third party consents in certain categories of collateral.

Unpredictability of outcome of any bankruptcy proceedings
The international nature of the Group's operations may make the outcome of any bankruptcy proceedings difficult to predict. The Issuer and its subsidiaries currently conduct operations in multiple jurisdictions on almost all major continents. Consequently, in the event of any bankruptcy, insolvency or similar proceedings involving the Issuer or any of its subsidiaries, bankruptcy or other insolvency laws, including those of Denmark, Switzerland, Spain, the United States and France, Mexico, Argentina, Japan, China, Malaysia and Hong Kong, could apply. The unpredictability also includes enforcement of security, avoidance, hardening periods and recognition of claims. Furthermore, concurrent bankruptcy or similar insolvency proceedings may adversely affect, complicate or hinder the proceedings, including a restructuring (to the extent possible).

As the Issuer is incorporated under the laws of Denmark, an insolvency proceeding relating to the Issuer, even if brought in another jurisdiction, would likely involve Danish insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of those of other jurisdictions with which investors are familiar. Investors should also note that the process of making a claim as creditor of the Issuer under Danish laws may be complex and time-consuming, and could result in substantial reduction in payments to Bondholders.

The Issuer's ability to repurchase the Bonds upon a mandatory prepayment event may be limited
Upon the occurrence of a Change of Control Event, each Bondholder will have an option to require the Issuer to redeem their Bonds in accordance with the terms of the Bond Agreement. It is possible that the Issuer may not have sufficient funds at the time of the Change of Control Event or any other mandatory prepayment event under the Bond Agreement to make the required repurchase of Bonds. Any of the Obligors' future debt agreement may contain similar restrictions. If the Issuer fails to repurchase or repay any Bond submitted in a Change of Control Event or any other mandatory prepayment event under the Bond Agreement, it would constitute an event of default under the Bond Agreement, which could in turn constitute an event of default in respect of the Group' other indebtedness.

Following any early redemption after the occurrence of a mandatory prepayment event, it may not be possible for Bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

Optional redemption by the Issuer may have a material adverse effect on the value of the Bonds
In accordance with the terms of the Bond Agreement, the Bonds are subject to optional redemption rights of the Issuer. This feature is likely to limit the market value of the Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not increase substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

In addition, it may not be possible for Bondholders to reinvest proceeds resulting from an optional redemption of the Bonds at an effective interest rate as high as the interest rate of the Bonds.

Modification of the Bonds or waivers or authorizations of breaches and substitution of the Issuer
The terms and conditions of the Bond Agreement will allow for modification of the Bonds or waivers or authorizations of breaches and substitution of the Issuer which, in certain circumstances, may be affected without the consent of Bondholders.

The Bond Agreement contains provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Bond Trustee may, without the consent of the Bondholders, agree to certain modifications of the Bond Agreement and any other Finance Documents (as defined in the Bond Agreement) which, in the opinion of the Bond Trustee, are proper to make. Such modifications which will be binding upon the Bondholders will be further described in the Bond Agreement.

Withholding taxes
Payments in respect of the Bonds may in certain jurisdictions under certain circumstances be made subject to withholding or deduction of tax.

2. Person responsible

The Issuer (Jacob Holm & Sønner Holding A/S) confirms that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

December 14, 2017

Jacob Holm & Sønner Holding A/S
c/o Accura Advokatpartnerselskab
Tuborg Boulevard 1
2900 Hellerup
Denmark

3. Definitions

Unless otherwise defined in Section 3 (Definitions), capitalized terms used in this Securities Note shall have the meaning given to such terms in the bond agreement dated 29.03.2017 entered into between Jacob Holm & Sons AG as parent, Jacob Holm & Sønner Holding A/S as borrower and Nordic Trustee ASA as bond trustee on behalf of the bondholders from time to time (the "Bond Agreement") (attached as appendix (a) to this Securities Note).

"Call Option Repayment Date"	-	means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (Voluntary early redemption – Call Option), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.
"Change of Control Event"	-	means if (a) any person or group of persons, other than Poul M. Mikkelsen, his wife and any of his children or grandchildren (individually or collectively or any entity over which any of these individuals have Decisive Influence), are gaining Decisive Influence over the Parent; or, (b) the Parent cease to control the Issuer (directly or indirectly) 100 per cent.
"Decisive Influence"	-	means a Person having, as a result of an agreement, understanding and/or other arrangement and/or through the ownership of shares and/or other ownership interests in another Person (directly or indirectly): (a) the majority of the voting rights in that other Person; or (b) the right to elect or remove a majority of the members of the board of directors of that other Person.
"Existing Bonds"	-	means FRN Jacob Holm & Sønner Holding A/S Senior Secured Callable Bonds 2014/2019 (with ISIN NO 0010708332) issued by the Issuer pursuant to the bond agreement dated 3 April 2014.
"Existing Facilities"	-	means the existing Financial Indebtedness (or the equivalent in any other currency) of the Group (together with accrued interest) listed in Schedule 3 of the Bond Agreement, in no event to exceed its respective Bank Commitments and any related hedging thereto, and any New Bank Facility. Bank Commitments means the commitment of each of the Existing Facilities as set in column 5 of the Schedule 3 of the Bond Agreement. New Bank Facility means any new bank facility with a commercial bank for the purposes of refinancing any of the Existing Facilities or establishing one or more new facilities, in an amount not to exceed at any time the total amount of the Bank Commitments in aggregate, and always subject to compliance with the Incurrence Test.
"Financial Indebtedness"	-	means any indebtedness for or in respect of: a) moneys borrowed and debt balances at banks or other financial institutions; b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent; c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures,

loan stock or any similar instrument, including the Bonds;

d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP as applicable on the Issue Date, be treated as a finance or capital lease (meaning that the lease is capitalized as an asset and booked as a corresponding liability in the balance sheet);
e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under GAAP are met);
f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under GAAP;
i) any amount of any liability under an advance or deferred purchase agreement, if (i) the primary reason behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than one-hundred-and-twenty (120) days after the date of supply;
j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under GAAP; and
k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

"Interest Quotation Day" - means, in relation to any period for which Interest Rate is to be determined, the day falling two (2) Business Days before the first day of the relevant Interest Period.

"Permitted Capital Expenditure" - means any expenditure or obligation in respect of expenditure with the intention of being used on a continuing basis and not intended for sale in the ordinary course of business of the Group which in accordance with GAAP is treated as capital expenditure and only taking into account the actual cash payment made where assets are replaced and part of the purchase price is paid by way of exchange but only if:

l) no Event of Default is continuing on the date the investment is made;

m) the asset acquired or improved by the investment is or will be held by a Group Company; and
n) the asset acquired or improved by the investment will be within the same or related line of business conducted by the Issuer or any Group Company.

"Permitted Distribution" - means any distribution:

a) made by the Parent, always subject to compliance with the Incurrence Test, provided that the Distribution (in any calendar year) does not exceed 50 per cent. of the Group's consolidated Net Profit of the previous financial year (always reduced by a Distribution pursuant to paragraph (b) below) (and where any unutilized portion of such Net Profit may not be carried forward);
b) made by the Parent for each calendar year in a maximum amount of EUR 7,000,000 (and where any unutilized portion of such Permitted Distributed may not be carried forward); and
c) made by any Group Company (other than the Parent) to the Issuer or any other Group Company.

"Permitted Financial Indebtedness" - means any Financial Indebtedness:

a) which is created in connection with the Initial Bond Issue;
b) which is created in connection with a Tap Issue following the Issuer's compliance with the Incurrence Test;
c) which is created in connection with the issuance of the Existing Bonds so long as such Financial Indebtedness is prepaid in connection with or as soon as possible after release of the proceeds from first disbursement from the Escrow Account to the Issuer in connection with the Initial Bond Issue;
d) which constitutes Permitted Financial Support;
e) of any entity which becomes a Group Company, provided that such Financial Indebtedness (i) is created prior to the date on which that entity becomes a Group Company, (ii) is not increased or extended after that entity becomes a Group Company and (iii) is removed or discharged within three (3) months of that entity becoming a Group Company;
f) arising under financial or capital leases in the ordinary course of business;
g) which is created under the Existing Facilities;
h) which is a New Shareholder Injection;
i) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of business but not a foreign exchange transaction for investment or speculative purposes;
j) any Financial Indebtedness incurred in the ordinary course of business under a cash pool arrangement with other Group Companies;
k) any Intercompany Loan pledged in favour of the Bond Trustee;

l) arising under supplier credits on normal commercial terms in the ordinary course of business; and
m) created with the prior written consent of the Bond Trustee.

"Person"	-	means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.
"Prospectus"	-	The Registration Document together with the Securities Note and the Summary
"Registration Document"	-	The registration document dated 14.12.2017
"Securities Note"	-	The securities note document dates 14.12.2017 (Document to be prepared for each new issue of bonds under the Prospectus)
"Summary"	-	The summary dated 14.12.2017 (Document to be prepared for each new issue of bonds under the Prospectus)

4. Information concerning the securities

The terms used in this section shall not be construed as the defined terms used in other sections of this Securities Note. The terms defined in this section shall only be used herein, and any capitalized term not defined in this section shall have the meaning given to such term in section 3 (Definition) of the Bond Agreement (attached as appendix (a) to this Securities Note).

Approvals:	The Bonds were issued in accordance with the Issuer's and the Parent's Board resolutions dated 29 March 2017.
Availability of the documentation:	http://www.jacob-holm.com[1]
Bond Agreement:	The Bond Agreement dated 29.03.2017 has been entered into between the Parent, the Borrower and the Trustee on behalf of the Bondholders. The Bond Agreement regulates the Bondholder's rights and obligations in relations with the Issue. The Trustee enters into the Bond Agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement. When the Bonds are subscribed / purchased, any Bondholder has accepted the Bond Agreement and is bound by the terms of the Bond Agreement. Information regarding bondholders' meeting and the Bondholder's right to vote are described in the Bond Agreement, clause 15. Information regarding the role of the Trustee, see Bond Agreement, clause 16. The Bond Agreement is attached to this Securities Note.
Reference Rate:	EURIBOR
Borrower/Issuer:	Jacob Holm & Sønner Holding A/S (a company existing under the laws of Denmark with registration number 28156960)
Business Day Convention:	If the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (*Modified Following*).
Business Day:	A day on which both the relevant CSD settlement system and TARGET2 is open for settlement.
Calculation Agent:	Nordic Trustee ASA, P.O Box 1470 Vika, 0116 Oslo, Norway.
Call Option:	The Issuer may redeem all or in parts of the Outstanding Bonds (the "Call Option") on any Business Day from and including:

[1] However, the contents of the website or any other website do not form a part of this Prospectus (except for the documents incorporated by reference into this Prospectus as set forth under Documentation), and no person should rely on such information in making their decision to purchase Bonds.

(i) the Issue Date to, but not including, the First Call Date at a price equal to the Make-Whole Amount for each redeemed Bond;

(ii) the First Call Date to, but not including, the Interest Payment Date falling in March 2020 at a price equal to 102 per cent. of the Nominal Amount for each redeemed Bond;

(iii) the Interest Payment Date falling in March 2020 to, but not including, the Interest Payment Date falling in September 2020 at a price equal to 101.50 per cent of the Nominal Amount for each redeemed Bond;

(iv) the Interest Payment Date falling in September 2020 to, but not including, the Interest Payment Date falling in March 2021 at a price equal to 101.25 per cent of the Nominal Amount for each redeemed Bond;

(v) the Interest Payment Date falling in March 2021 to, but not including, the Interest Payment Date falling in September 2021 at a price equal to 100.75 per cent of the Nominal Amount for each redeemed Bond; and

(vi) the Interest Payment Date falling in September 2021 to, but not including, the Maturity Date at a price equal to 100 per cent of the Nominal Amount for each redeemed Bond.

In addition to such amounts payable under (i) – (vi) above, the Issuer shall pay accrued and unpaid interest on redeemed Bonds.

Any redemption of Bonds pursuant to Clause 10.2 (Voluntary early redemption – Call Option) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.

Exercise of the Call Option shall be notified by the Issuer in writing to the Bond Trustee and the Bondholders at least ten (10), but not more than twenty (20), Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

Bonds redeemed by the Issuer in accordance with Clause 10.2 in the Bond Agreement shall be cancelled and discharged.

Change of control:

Upon a Change of Control Event, each Bondholder shall have the right *(Put Option)* to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent of the Nominal Amount (plus accrued and unpaid interest).

The Put Option must be exercised within sixty (60) days after the Issuer has given notification to the Bond Trustee and the Bondholders that a Put Option Event has occurred.

	Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the fifth (5th) Business Day after the end of the sixty (60) days exercise period referred to in the paragraph above.
Current rate:	3.750 per cent
Denomination – Each Bond:	EUR 10,000 — The Bonds shall rank pari passu between themselves.
Documentation:	Registration Document dated 14.12.2017, Securities Note dated 14.12.2017, Summary dated 14.12.2017, and Bond Agreement.
EURIBOR:	EURIBOR means the European Interbank Offered Rate being (i) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Interest Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; (ii) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Bond Trustee at its request quoted by banks reasonably selected by the Bond Trustee, for deposits of EUR 10,000,000 for the relevant period; or (iii) if no quotation is available pursuant to paragraph (ii), the interest rate which according to the reasonable assessment of the Bond Trustee and the Issuer best reflects the interest rate for deposits in Euro offered for the relevant Interest Period. If any such rate is below zero, EURIBOR will be deemed to be zero. Information such as performance and volatility on EURIBOR can among others also be obtained on website of the European Money Markets Institute (www.emmi-benchmarks.eu).
Events of default:	The Trustee may declare the Bonds to be in default upon occurrence of any of the following events: a) Non-payment b) Breach of other obligations c) Misrepresentations d) Cross default e) Insolvency and insolvency proceedings f) Creditors' process g) Unlawfullness h) Material Adverse Change For further information on Events of Default, please refer to clause 14 in the Bond Agreement.
Fees and Expenses:	The Borrower shall pay any stamp duty and other public fees in connection with the Bonds. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Borrower is responsible for withholding any withholding tax imposed by applicable law. Refer to clause 16 of the Bond Agreement for further information on Fees and Expenses.

Fees:	Total expenses related to the admission to trading is approximately: a) Prospectus fee (NFSA): NOK 76,000 b) Listing fee (Oslo Børs): approx. NOK 50,000 p.a. c) Registration fee (Oslo Børs): NOK 17,120 d) Trustee: NOK 185,000 p.a. e) Manager: approx. EUR 1,200,000 f) Legal advisers: approx. DKK 2,800,000 g) News ads: approx. NOK 10,000
Financial covenants:	The Issuer shall upon the occurrence of an Incurrence Event deliver to the Bond Trustee a Compliance Certificate with calculations as covenants test on a pro forma basis which shall ensure compliance with the Leverage Ratio and the Minimum Liquidity. For information regarding Incurrence Events and covenants please see the Bond Agreement clause 13.13 and the Definitions: a) Leverage Ratio b) Minimum Liquidity c) Definitions and calculation of financial covenants
Guarantee:	An unconditional on-demand guarantee on a joint and several basis from the Guarantors securing the Issuer's obligations under the Bond Agreement, including interest, costs and expenses (always subject to local law limitation language being included). For details with regard to the nature and the scope of the Guarantee, please see chapter 2 (Guarantee and Limitations thereof) in the guarantee agreement (attached as appendix k to this Securities Note).
Guarantors:	At the date of this Securities Note: • the Parent; • Jacob Holm & Sønner A/S (a company incorporated under the laws of Denmark with registration number 13868611); • Sontara AG (a company incorporated under the laws of Switzerland, with registration number CHE 481.805.825); • Sontara Old Hickory Inc. (a company incorporated under laws of Delaware, USA); and • Sontara Asturias, S.A.U. (a company incorporated under the laws of Spain with registration number A-86953726)
Incurrence Test Grid:	Upon the occurrence of an Incurrence Event, an increase of the Margin shall apply as set out in table below ("Margin Increase").

Increase in leverage ratio	MARGIN INCREASE
1.24x-1.00x	0.625%
0.99x-0.75x	0.500%
0.74x-0.50x	0.375%
0.49x-0.25x	0.250%
0.24x-0.01x	0.125%

The Margin Increase shall take effect from the preceding Interest Payment Date up until the Maturity Date, provided that the Leverage Ratio is in excess of 3.5x on the relevant testing date and within the levels below of "Maximum Incurrence test" for the relevant year as set out in the table below.

Year (after the issue date)	Maximum Incurrence test
1 and 2	5.50x
3 and 4	5.00x
5	4.50x

Notwithstanding the above, the Issuer shall be permitted (at the earliest six (6) months after the relevant Margin Adjustment Date or later) to demand a reset of the Margin to its original level if the Issuer can demonstrate in a Compliance Certificate (supported by any additional documentation that the Bond Trustee may reasonably require) that the Leverage Ratio is equal to or lower than 3.50x. Any such adjustment of the Margin shall be effective from the preceding Interest Payment Date. The Bondholders shall promptly (by a notice on the website www.stamdata.no) be made aware of any adjustment of the Margin set out herein.

Incurrence Event:

Any event contemplated by paragraph (a) of the definition of “Permitted Distributions” and/or incurrence of new Financial Indebtedness (by way of a Tap Issue or refinancing of or incurring New Financial Indebtedness under any Existing Facility).

Information, general and financial undertakings:

Please see the Bond Agreement clause 12 for information undertakings and clause 13 for general and financial undertakings:

- Financial Reports
- Authorisation
- Compliance with laws
- Corporate status
- Continuation of business and Corporate Status
- Distributions
- Cash flow
- Mergers
- De-mergers
- Financial Indebtedness
- Negative pledge
- Financial support
- Disposals
- Incurrence Test
- Acquisitions
- Existing Facilities
- Arm’s length transactions
- Security
- Intellectual property

Initial Bond Issue:

The aggregate Nominal Amount of all Bonds issued on the Issue Date.

The Initial Bond Issue amounted to EUR 100,000,000.

Interest Payment Date:

31 March, 30 June, 30 September and 31 December each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention.

The first Interest Payment Date being 30 June 2017, the last Interest Payment date being the Maturity Date.

	The relevant interest payable amount shall be calculated based on a period from, and including, the Issue Date or one Interest Payment Date (as the case may be) to, but excluding, the next following applicable Interest Payment Date. Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period. Claims to interest payments and repayment of principal are subject to the statutory period of limitation under Norwegian law pursuant to section 18.1 (Limitations of claims) of the Bond Agreement (attached as appendix (a) to this Securities Note).
Interest Rate:	EURIBOR + Margin
ISIN code:	NO 001 0788920
Issue Date:	31 March 2017
Issue Price:	100 per cent (par value)
Legislation under which the Securities have been created:	Norwegian law
Listing:	An application for listing has been sent to Oslo Børs on 25 September 2017.
Manager:	Skandinaviska Enskilda Banken AB (publ), Postboks 1843 Vika, 0123 Oslo, Norway
Margin:	3.750 per cent per annum, as adjusted pursuant to the Incurrence Test Grid
Market-Making:	There is no market-making agreement entered into in connection with the Bonds
Maturity Date:	31 March 2022, adjusted according to the Business Day Convention
Maturity:	The Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent of the Nominal Amount.
Maximum Issue Amount:	EUR 250,000,000 The Issuer may, provided that the conditions set out in Clause 6.4 (Tap Issues) are met, at one or more occasions issue Additional Bonds (each a "Tap Issue") until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Additional Bonds means Bonds issued under a Tap Issue.
Obligor:	any of the Borrower/Issuer and the Guarantors

Parent:	Jacob Holm & Sons AG (a company incorporated under the laws of Switzerland with registration number CHE-109.597.651)
Paying Agent:	DNB Bank ASA, Verdipapirservice, 0021 Oslo, Norway
Purpose:	The net proceeds from the Initial Bond Issue (net of fees and legal cost of the Bond Trustee and the Manager and any other cost and expenses incurred in connection with the Initial Bond Issue) are used exclusively: (a) firstly, for repayment of Existing Bonds (including funding of a defeasance pledge account for the processing of redemption of Existing Bonds); and (b) secondly, for general corporate and working capital purposes of the Group, acquisitions, Permitted Capital Expenditure or servicing (repayment or prepayment) of any of the Existing Facilities. The Issuer will use the net proceeds from the issuance of any Additional Bonds for general corporate purposes of the Group, including acquisitions, Permitted Capital Expenditure or servicing (repayment or prepayment) of any of the Existing Facilities. No proceeds from the Bonds shall be used, directly or indirectly, in Switzerland, except and to the extent that a written confirmation or tax ruling countersigned by the Swiss Federal Tax Administration *(Eidgenössische Steuerverwaltung)* has been obtained confirming that the intended "use of proceeds in Switzerland" does not result in Swiss withholding tax being triggered.
Restrictions on free transferability:	The Bonds are freely transferable and may be pledged, subject to the following restrictions: (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense. (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.
Securities Depository:	Verdipapirregisteret ("VPS"), Postboks 4, 0051 Oslo, Norway
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository
Security Interests:	Security interests created under: (a) the Share Pledges; (b) the Escrow Account Pledge;

(c) the Bond Escrow Account Pledge;
(d) the Guarantees;
(e) First priority pledge in any Intercompany Loans (if any in existence)

Security Type:	Senior Secured Callable Bond Issue with floating rate
Status of the Bonds and security:	The Bonds shall constitute senior debt obligations of the Issuer. The Bonds shall rank at least pari passu with all other unsecured obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt. The Bonds, including accrued but unpaid interest, costs and expenses, shall be secured by the Security Interests.
Bonds:	FRN Jacob Holm & Sønner Holding A/S Senior Secured Callable Bond Issue 2017/2022
Trustee:	Nordic Trustee ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway
Yield:	Investors wishing to invest in the Bonds after the Issue Date must pay the market price for the Bonds in the secondary market at the time of purchase. Depending on the development in the bond market in general and the development of the Issuer, the price of the Bonds may have increased (above par) or decreased (below par). As the Bonds have a floating reference rate (EURIBOR), it is the market's expectations of risk premium, i.e. margin that affects the price. If the price has increased, the yield for the purchaser in the secondary market, given that the reference rate (EURIBOR) does not change, will be lower than the interest rate of the Bonds and vice versa. At the current price of 101.928 and the reference rate (EURIBOR) at negative 0.329 per cent, the yield is 3.2955 per cent.

5. Additional information

Other than the capacity as a shareholder or a stakeholder within the Jacob Holm group and/or as a director or an officer with the Jacob Holm group, the involved persons in Jacob Holm & Sønner Holding A/S have no interest, nor conflicting interests that is material to the Issue.

Jacob Holm & Sønner Holding A/S has mandated Skandinaviska Enskilda Banken AB (publ) ("SEB") as Manager for the issuance of the Bonds. The Manager has acted as advisor to Jacob Holm & Sønner Holding A/S in relation to the pricing of the Bonds.

The Manager and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note, and may perform or seek to perform financial advisory or banking services related to such instruments. The Manager corporate finance department may act as manager or co-manager for this Borrower in private and/or public placement and/or resale not publicly available or commonly known.

6. Appendix

(a) Bond Agreement

(b) Escrow Account Pledge

(c) Share Pledge concerning Jacob Holm & Sons AG

(d) Share Pledge concerning Jacob Holm & Sønner Holding A/S

(e) Share Pledge concerning Jacob Holm & Sønner A/S

(f) Share Pledge concerning Sontara AG

(g) Share Pledge concerning Jacob Holm Industries (America) Inc.

(h) Share Pledge concerning Jacob Holm Industries (France) SAS

(i) Share Pledge concerning Jacob Holm Asturias, S.A.U.

(j) Share Pledge concerning Jacob Holm Old Hickory Inc.

(k) Guarantee from Guarantors